

TESTIMONY OF  
MATTHEW GIBBS, DIRECTOR OF ENERGY EFFICIENCY  
ON BEHALF OF  
EVERSOURCE ENERGY

Energy and Technology Committee  
February 19, 2015

**RE: Proposed S.B. No. 567, AN ACT CONCERNING HOME ENERGY SOLUTIONS**

My name is Matthew Gibbs and I am the Director of Energy Efficiency for Eversource Energy. I am responsible for the implementation of energy efficiency initiatives for residential, low-income, commercial, industrial, and institutional customers in Connecticut.

In partnership with other Connecticut electric and gas distribution companies, Eversource implements nationally-leading energy efficiency programs throughout the state. The benefits yielded by these programs extend to all customers in the form of lower customer energy bills, deferred energy capacity requirements, economic development, and environmental mitigation. I want to compliment the legislature for your foresight and leadership in creating an innovative energy efficiency framework with robust checks and balances. With regulatory approval from the Department of Energy and Environmental Protection (“DEEP”) and oversight from the Energy Efficiency Board (“EEB”), there is an existing forum that regularly reviews program performance and continually improves services for all customers.

We certainly support legislation which would assist us in the deployment of energy efficiency resources throughout our state. Currently, we support a statewide energy efficiency contractor network that ensures HES contractors are available in every county. However, we oppose legislation that prescribes Home Energy Solutions (“HES”) contractors reside in each respective county for the following reasons:

- The HES program is currently a very successful program that offers energy efficiency programs for every customer in Connecticut. Since 2012, the HES program has served 44,366 participants in each and every town served by Eversource, which accounts for four percent of our Connecticut customer base. We track and evaluate customer inquiries to ensure that all customers who request services receive them in a timely fashion. Exhibit A provides a summary of participation levels in the HES programs for every town in Eversource's service territory.
- Eversource currently offers three complementary in-home energy efficiency service programs supported through a statewide network of more than 30 home improvement contractors: (1) Home Energy Solutions-Income Eligible ("HES-IE") serves customers whose family's combined gross annual income is below the state's 60 percent income median, (2) HES serves non-low income customers through a fixed contractor network selected through a competitive RFP process, and (3) the similar to HES, but open market, Home Performance with ENERGY STAR program ("HPwES") is available to all qualified home improvement contractors.
- HES and HES-IE program services are deployed through contractors that are selected through a competitive bid process to achieve only the highest quality contractors at the lowest cost to ratepayers. Contractors who meet the qualification process, but are not selected through the competitive bid process are encouraged to participate in the open-market HPwES program. The HPwES program offers equivalent customer incentive levels to that of the HES program; thereby creating an opportunity for all qualified contractors to assist customers. Currently, there are 30 contractors conducting work in the HPwES program hand-in-hand with the HES program.

- Participating HES contractors are required to provide services in every county of the state, regardless of their company's location. Eversource is not aware of any customer denied service due to their proximity to a HES contractor's office location. This legislation creates complexities in the Companies' procurement process for HES contractors where there may not be a qualified or competitive contractor located in a specific county that could be served more cost-effectively by a contractor from a neighboring county. Furthermore, county designation does not address a contractor's capacity to serve customer volume. Contractors that participate in HES vary in size from small to large and their capacity to serve customers may not be aligned with county geographic boundaries.
- Eversource supports market transformation towards an open market approach and measured steps are being taken in this direction. For example, the Companies were approved by the United States Environmental Protection Agency to sponsor the HPwES program. This market-based program relies on minimum technical and insurance qualifications and random installation inspections to protect consumers and provide for quality installation of weatherization measures. As the HPwES sponsor, the onus resides with the Companies to monitor and verify contractor performance.

As the implementer of Connecticut's energy efficiency programs, we collaboratively work with DEEP, the EEB, customers, and contractors to continually improve our program offerings. We monitor customer participation levels and refine our programs to ensure that all Connecticut customers have opportunities to reduce their energy bills through qualified and cost-effective home improvement contractor networks. Thank you for the opportunity to comment on this proposed bill.